upright

QUARTERLY INVESTOR REPORT

Horizon Residential Income Fund I, LLC

January 1, 2025 – March 31, 2025

25
Q1

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QUARTERLY INVESTOR REPORT

Introduction

In April 2023, Upright unveiled its latest investment offering: the Horizon Residential Income Fund I, LLC, referred to henceforth as Horizon or simply the "Fund." Horizon was conceived to offer passive investors an additional income source while addressing the extreme shortage of residential real estate within the U.S., providing a unique opportunity for accredited investors to enter the Residential Transition Loans (RTL) asset class. Through the Fund, we are now able to offer accredited investors the enhanced benefits of maximum diversification, leverage, and distinctive tax advantages. The primary objectives of Horizon are to diversify portfolios and generate steady income streams for its members. Since inception, Horizon's Fund Manager and Investment Committee have evaluated more than 500+ properties across the Eastern, Mid-West, and Southern U.S. to identify optimal opportunities for portfolio growth.

Today, the Horizon team is pleased to present the Quarterly Investor Report for 25Q1. This report provides members with a comprehensive overview of Horizon's investment strategy, the composition of its portfolio, financial performance, and an outlook for the end of the year. While market disruptions and external pressures have tested our resilience, we remain committed to steering the Fund towards its long-term goals and capitalizing on the opportunities that lie ahead.

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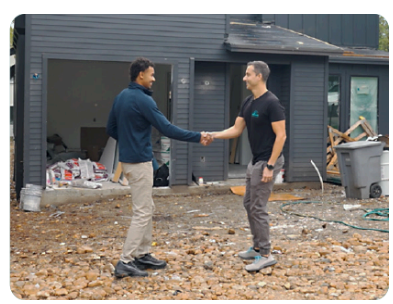
COMPANY OVERVIEW

About Upright

Established in 2014, Upright embarked on a mission to establish itself as the preeminent technological real estate investment platform, empowering both active and passive investors to create wealth and improve communities through real estate. The Upright team has since successfully originated more than $3B in short-term residential mortgages throughout 36 states. Distinguished by a rigorous underwriting process that is continuously refined to adapt to changing economic and market conditions, Upright's portfolio has historically provided investors with a 9%–10% annual return.

Since its inception, Upright has successfully connected active real estate developers to capital from passive investors. Prior to the advent of Upright, developers often encountered formidable obstacles in accessing funding for short-term rehab & construction projects beyond the confines of conventional bank financing and private funding channels. Through Upright's Borrower Dependent Notes (BDNs), passive real estate investors have been able to purchase fractional ownership of the mortgages originated by Upright. While BDNs afford passive investors the latitude to scrutinize and evaluate individual underlying assets across diverse markets, the onus of conducting this meticulous analysis one project at a time and redeploying repaid capital is not always optimal for these stakeholders. Seeking to address these drawbacks, Upright introduced the Horizon Residential Income Fund, thereby granting investors access to a diversified portfolio with markedly less effort. With a wealth of industry acumen, the Horizon team ensures investors can rest assured in the knowledge that their capital is being deployed into assets facilitated, underwritten, and serviced by the Upright team.

Lending in 36 states



HIGH-LEVEL DETAILS

About Horizon

What is the Horizon Residential Income Fund I, LLC?

The Horizon Residential Income Fund I, LLC (Horizon) is an investment vehicle specializing in short-term, first-lien mortgage loans against residential properties throughout the eastern U.S., underwritten and originated exclusively by Upright. Horizon is meticulously crafted to furnish its members with a trifecta of advantages: an ongoing stream of current income at a fair risk-adjusted return amplified through leverage, a diversified portfolio, and the substantial tax advantages made available through its sub-REIT structure. By embracing an investment opportunity in Horizon, individuals are poised to gain passive exposure to residential real estate assets dispersed across diverse geographical landscapes and markets. In doing so, Horizon contributes to alleviating the housing scarcity prevalent in the United States while also uplifting local communities.

Horizon Residential Income Fund I Investment Strategy

Through the purchase of short-term residential bridge mortgages, Horizon is pursuing an 8% preferred return per annum, with a target return between 10%–13%. The Fund is subject to a 1% management fee of Horizon's monthly net asset value. Any earnings surpassing the 8% preferred return threshold will result in a 20% interest carry for the manager, with the remaining 80% directed back to the Horizon membership. While these management fees ensure incentives remain aligned, it is important to note that a waiver or reduction of accrued management fees and carry can be considered quarterly.

While committed to maximizing returns, the Horizon team will prioritize adherence to stringent investment directives designed to manage and alleviate portfolio risk. The composition of Horizon's portfolio will consist of a blended balance of first-lien rehab, new construction, and land mortgages that can vary between residential single-family and multi-family assets. The mortgages purchased will be predominantly located in the eastern United States, with a pronounced emphasis on key metropolitan areas within the Midwest, the Carolinas, the Southeast (Alabama, Florida, Georgia), and Texas. Horizon's leadership has identified a need for an increased and improved housing supply to keep up with demand within these markets, mainly due to total household growth outpacing new housing starts, an aging housing stock, economic expansion, and population growth.

In pursuit of accretive returns and diversified portfolio holdings, Horizon will employ conventional leveraged financing. This approach grants Horizon the capacity to secure purchasing power of up to four times the cumulative equity amassed. The mortgages purchased through equity investments will subsequently serve as collateral, against which Horizon can secure supplementary debt from its financing partner(s). This is vital to Horizon's overall performance as it will allow for more loans to be purchased, increasing the overall principal balance that is actively earning interest, thereby enhancing Horizon's overall returns and increasing portfolio diversification.

ROI OVERVIEW

Financial Performance

Since its inception, Horizon's objective has been twofold: to introduce a novel product that amplifies portfolio diversification for its members and generates a new avenue for wealth via quarterly income from an alternative asset class. For Horizon's members, the Fund aspires to attain an annualized preferred return of 8%, while targeting annualized returns ranging between 10%–13%.

In 25Q1, the Fund generated annualized returns of 6.86% for investors with an admittance date on or before January 1st, 2025, 6.82% for investors with an admittance date of February 1st, 2025, and 7.06% for any investors admitted March 1st, 2025. On average, 25Q1's quarterly returns were up ~34bps from 24Q4.

For the Fund to achieve strong performance, maintaining a positive ratio between loan purchases to loan payoffs is vital, as a positive ratio allows for the increase in interest income from new loan purchases to outpace the reduction in interest income that is no longer earned from loan repayments. In 24Q3 and 24Q4, the Fund experienced a net negative rate between new loan purchases and loan payoffs, and looking from 24Q4 to 25Q1, the Fund saw its interest income drop by $276K due to the repayment of performing loans. While the Fund still experienced a net negative ratio in 25Q1, a slower loan repayment rate, along with six new loan purchases, helped the Fund move closer to a net neutral purchase to repayment ratio and slightly increased returns.

Additionally, negative impacts to interest income this quarter were attributed to an increasing rate of total delinquencies. As is standard process throughout the industry, any time a loan reaches 91+ days delinquent, a reserve is booked to interest income. While our goal is to preserve and return all principal and income for the Fund's investors, a reserve must be booked to offset the potential of unrecoverable funds. With the Fund's DQ rate increasing in 25Q1 (please see Loan Performance & Delinquencies for full details) a reserve to interest income of $191K was booked for the quarter, further reducing the Fund's total interest income available. However, the Fund saw revenue earned from Penalty Interest, Late Fees, and Extension fees increase quarter over quarter for the second straight time. In 25Q1, the Fund earned $50K from these additional revenue lines, which is the largest amount earned in a quarter for these items to date and further bolstered this quarter's returns.

For the Fund's expenses, total expenses quarter over quarter were reduced by $218K, down to a total expense amount of $87K in 25Q1. The main driver of this reduction was led by the repayment of the Fund's senior facility, which was repaid in full at the beginning of February. In 24Q4, the Fund's total interest expense was $233K, while 25Q1 carried a total interest expense of $15K. As for additional expenses, the Fund's fixed operating expenses remained relatively constant from 24Q4 to 25Q1 at $79K. Moving into 25Q2, we anticipate that the Fund's fixed expenses will remain relatively constant and monthly interest to remain below or at a mark similar to this quarter's.

Returns this quarter were also impacted by the re-valuation of loans that are progressing through the late stages of delinquency and foreclosure. As a standard process for the Fund, when a property reaches a 91+ day delinquency status, our team will complete an updated As-Is analysis of the property. Through the analysis, if our team deems that the property's adjusted As-Is value does not exceed the current unpaid principal balance by a specific margin, a reserve is booked. Specifically, for 25Q1, two new properties, one in Maryland and one in South Carolina, have required us to reserve an additional $35K in unrealized losses for the quarter, further reducing available income. However, this is down $102K from 24Q4's markdown of $136K. Please note that similar to our process for reserves to interest income, we are taking a cautious approach with regards to the valuations and remain optimistic that through the personal guarantee and the eventual disposition of the assets, we will recover more than what we reserve, which would be additional income available to investors in a future quarter.

The Horizon team remains optimistic towards positive growth in upcoming quarters. With our senior facility now fully repaid, cash flows from payoffs will provide the Fund with increased purchasing power to buy new loans and help the Fund return to a positive loan purchase to loan payoff ratio, generating additional interest income. Additionally, our Asset Management team continues to work diligently to bring all delinquent loans to a successful resolution. Our team feels that the majority of loans in our 91+ DQ bucket should recover 100% of principal and past due interest income. As these loans repay or bring past due interest payment current, these payments will continue to reduce the interest reserve amount the Fund is required to book, increasing total income available to investors and enhancing returns in future quarters.

For 25Q1, the Fund's Manager and Investment Committee decided that all Management Fees will be waived, allowing for all income earned by the Fund in 25Q1 to be available to its investors. After all expenses, net income available for distribution to investors for 25Q1 totaled $415K. Please find full details surrounding Horizon's final net income and quarterly returns below.

1. Horizon 25Q1 Financial Performance

Horizon Residential Income Fund I REIT Profit & Loss For Period Ended March 31st, 2025	1/31/2025	2/28/2025	3/31/2025	25Q1
Ordinary Income/Expense				
Income				
Interest Income - Mortgages	197,750	145,434	142,874	486,058
Penalty Interest	1,924	2,326	8,823	13,074
Late Fees	348	479	501	1,327
Extension Fees	16,514	13,008	5,923	35,445
Other				
Insured Cash Sweep	2,357	1,810	4,807	8,975
Total Interest Income	**218,893**	**163,057**	**162,929**	**544,880**
Interest Expense	14,829	342	-	15,170
Net Interest Income	**204,065**	**162,716**	**162,929**	**529,709**
Operating Expense				
Professional Fees				
Tax Prep	3,875	3,875	3,875	11,625
Tax Expense	5,229	-	-	5,229
Legal Fees		4,853		
Fund Admin Fees	7,500	7,500	7,500	22,500
Reit Funding - Preferred Equity	3,588	1,338	1,338	6,263
Other Professional Fees	1,251	1,278	1,299	3,827
Total Professional Fees	**21,442**	**18,844**	**14,011**	**54,297**
Loan Servicing - FCI	2,675	5,240	65	7,980
Loan Fees	6,719	5,992	4,601	17,312
Total Operating Expenses	**30,836**	**30,076**	**18,677**	**79,589**
Management Fee	-	-	-	-
Unrealized Gain/Loss	(34,972)	-	-	(34,972)
Net Income	**138,256**	**132,640**	**144,252**	**415,148**
Total Income Available for Distribution	**138,256**	**132,640**	**144,252**	**415,148**
Preferred Return to Investors (8%)	-	-	-	-
Income Available Above Preferred Return	**138,256**	**132,640**	**144,252**	**415,148**
Carried Interest Fee to Fund Manager	-	-	-	-
Additional Income for Distribution to Investors	**138,256**	**132,640**	**144,252**	**415,148**
Total Income Distributed to Investors	**138,256**	**132,640**	**144,252**	**415,148**

2. Horizon 25Q1 Monthly & Quarterly Returns

Horizon Residential Income Fund I REIT	1/31/2025	2/28/2025	3/31/2025	25Q1
Period Return	0.57%	0.54%	0.59%	1.70%
All Admittance Prior to February 1st, 2025				6.86%
February 1st, 2025 Admittance				6.82%
March 1st, 2025 Admittance				7.06%

*Please note that the above results are Horizon's ACTUAL figures used to calculate each member's monthly and quarterly returns.

HORIZON RESIDENTIAL INCOME FUND I, LLC

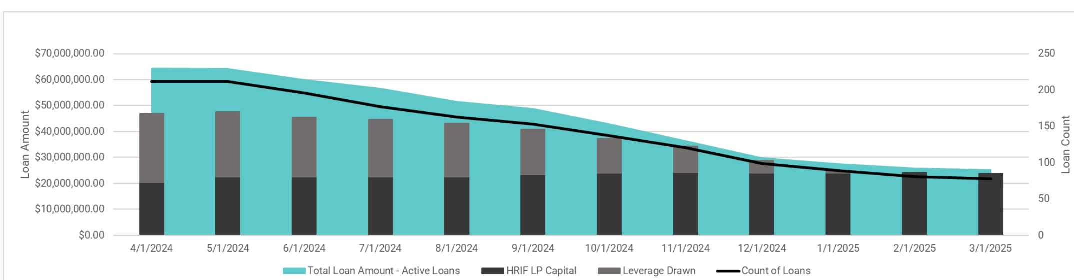
Schedule of Investments

Heading into 25Q1, a main goal for the quarter was to work towards repaying our senior facility in full. As of 12/31/2024, the outstanding balance on the senior facility was $4.8M. In January, the Fund successfully recovered full payoffs on 10 loans and we were able to pay the facility balance down to $669K by the end of the month. In the first week of February, the Fund recovered three additional payoffs, and as of February 4th, the Fund was able to repay its senior facility in full. With the senior facility fully repaid, any cash received from payoffs would now be returned directly back to the Fund. This is vital to the Fund's performance as it now allows us to re-establish one of the main liquidity streams that will generate cash for new loan purchases. In 25Q1, the Fund was able to successfully purchase six new loans between February and March. The total loan amount purchased was $2.08M and this cohort of loans will be generating a weighted average yield of 11.27% for the Fund. Additionally, the Fund was able to raise $216K in new equity throughout the quarter and as of 3/31/2025, the Fund's outstanding equity balance was $23.88M.

A further breakdown of Horizon's 25Q1 investment schedule can be found below.

Horizon Monthly Equity Admittance & Capital Deployment

	12/31/2024	1/31/2025	2/28/2025	3/31/2025
Fund Equity	$23,937,000.00	$24,013,000.00	$24,103,000.00	$23,878,009.78
Active Loans	99	89	81	78
Total Loan Amount	$29,889,862.07	$27,490,880.65	$25,816,680.65	$25,284,559.37
Funds Disbursed	$25,457,074.64	$23,643,506.99	$22,551,449.50	$21,543,343.64
Construction Holdback Remaining	$4,432,787.43	$3,847,373.66	$3,265,231.15	$3,741,215.73
Loans Repaid In Period	22	10	10	7
Total Loan Amount Repaid in Period	$6,316,000.00	$2,395,000.00	$2,138,000.00	$1,977,000.00



METRICS AND DEEP DIVE INTO OUR PROCESS

Portfolio Composition & Risk Management

When looking at portfolio composition and risk management for Horizon, the main portfolio metrics the Horizon team considers are:

1. Geographic Location

- State and MSA (by gross loan and outstanding principal)

2. Weighted Average Leverage Metrics

- Loan to As-Is Value (LTAIV)
- Loan to Cost (LTC)
- Loan to After Repair Value (LTARV)

3. Project Type

- Rehab
- New Construction
- No Rehab/No Construction

4. Individual Deal Exposure Relative to Total Book Size

5. Individual Developer Exposure Relative to Total Book Size

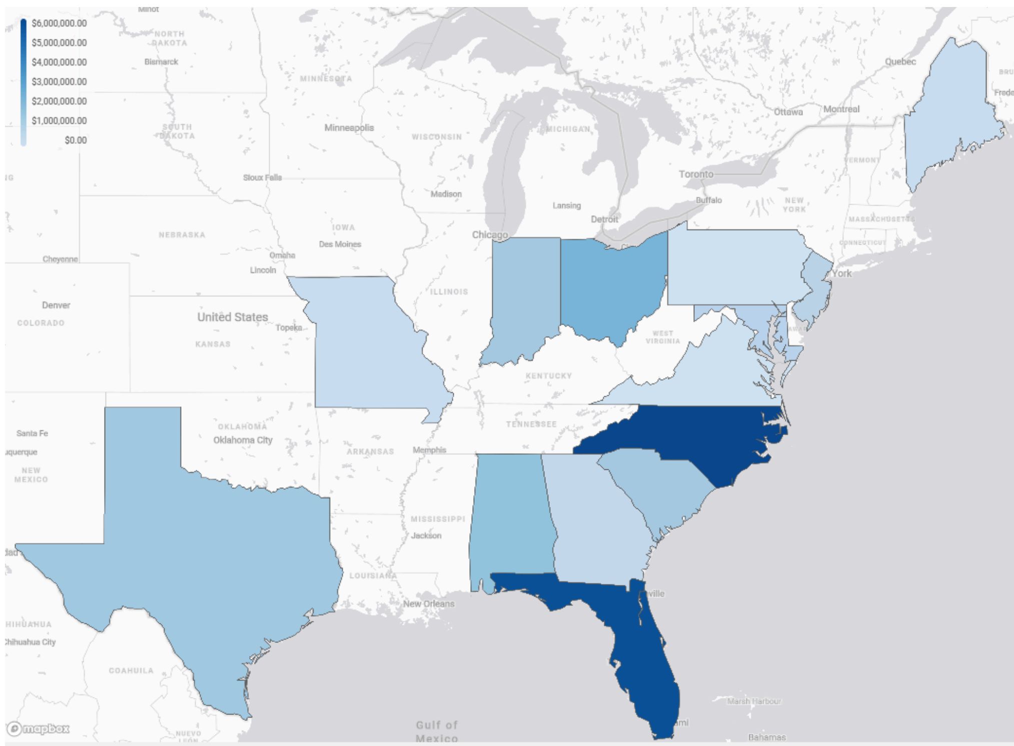
6. Developer Creditworthiness

- Credit score & history
- Current liquidity
- Previous project experience
- Project viability, profitability, and exit strategy

We underwrite and monitor these different metrics to ensure we are maintaining a balanced portfolio that aligns with our overall investment strategies. To help mitigate risk to the Fund as new loans are purchased and previously held assets are repaid, the team is constantly evaluating changes to our weighted portfolio metrics to ensure that our portfolio composition remains aligned with set benchmarks.

At the end of 25Q1, the portfolio's top markets were North Carolina (25.98%), Florida (25.12%), and Ohio (10.12%). Below you will find visuals to display Horizon's full state concentration by gross loan amount, as of 3/31/2025. As the fund only purchased six new loans in 25Q1, recent geographic shifts in the portfolio are mainly due to loan repayments, with 27 loans fully repaid in the quarter. While the top markets in the portfolio have remained the same, you will notice that North Carolina and Florida's total concentration remain above the Fund's 20% threshold. To date through 25Q2, Horizon has already bought 10 new loans into the Fund. Of these 10 purchases, no new loans were added from the state of Florida and only three loans were added in North Carolina. As the Fund continues to buy new loans through the remainder of 25Q2, we will be selective in certain geographies to ensure the portfolio's state exposures begin to balance back towards our targeted exposure of 20%.

Horizon State Exposure – % of Total Portfolio as of 3/31/2025



North Carolina	*25.98%*	*Indiana*	*5.95%*
Florida	*25.12%*	*New Jersey*	*3.67%*
Ohio	*10.12%*	*Maryland*	*3.46%*
Alabama	*7.73%*	*Georgia*	*2.10%*
Texas	*6.35%*	*Other*	*3.54%*
South Carolina	*5.96%*		

Horizon's loan leverage metrics are also a vital piece to the portfolio's overall health. These leverage ratios are what protect each loan against any potential downside risk. Below is a quick breakdown of the importance of each:

1. Loan to As-Is Value (LTAIV): LTAIV looks at Horizon's day-one exposure to any given loan and ensures each developer has substantial equity in each property from day one. We have set a maximum LTAIV constraint per loan of 70%, and are targeting a portfolio below 65% LTAIV.

2. Loan to Cost (LTC): LTC looks at the total costs of the project (Purchase price + construction costs) relative to the total loan amount. Horizon wants to see that the total costs of the project exceed the total loan amount by at least 10% to ensure the developer has equity in the project and aligned interests. We have set a maximum LTC constraint for any loan within the portfolio at 90%, while targeting a weighted portfolio makeup below 85%.

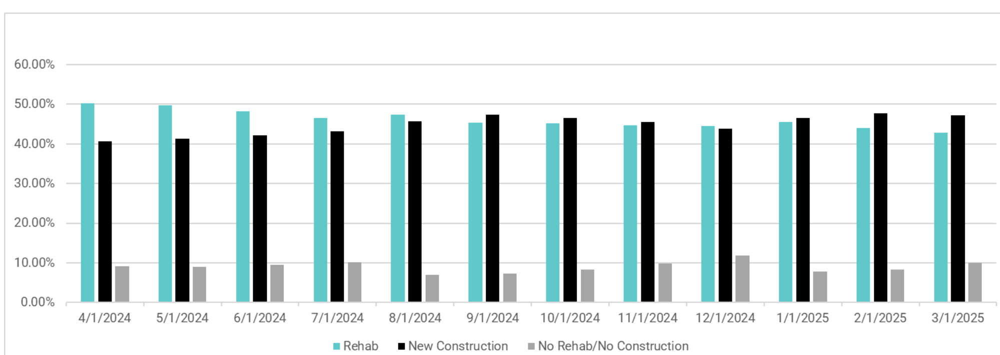
3. Loan to After Repair Value (LTARV): LTARV compares the total loan amount to the final expected value of the property after all renovations have been completed. If a developer sells a completed property below market value, or if there is any home price depreciation during the time to complete the project, Horizon wants to ensure there is enough margin at a lower price to still return full principal from sale or refinance proceeds. The Horizon team has set a 70% maximum LTARV constraint for each loan and for the entire portfolio.

In the below table, Horizon's month-over-month changes in WAVG loan leverage metrics are presented. Throughout 25Q1, all three portfolio metrics remained at or below their target constraints.

Weighted Average Loan Leverage Metrics	12/31/2024	1/31/2025	2/28/2025	3/31/2025
Loan to As-Is Value	58.74%	58.72%	57.70%	57.70%
Loan to Cost	82.47%	87.84%	88.03%	88.96%
Loan to After Repair Value	64.03%	64.13%	64.19%	64.27%

Additional Horizon Portfolio Composition

Project Type – % of Total Book (3/31/2025)



Largest 10 Loans – % of Total Book (3/31/2025)

State	Total Loan Amount	% of Total Book
TX	$909,889.62	3.60%
IN	$873,000.00	3.45%
NC	$854,000.00	3.38%
NC	$821,000.00	3.25%
FL	$681,138.24	2.69%
SC	$676,000.00	2.67%
FL	$656,000.00	2.59%
TX	$646,000.00	2.55%
AL	$633,000.00	2.50%
NC	$578,000.00	2.29%

Top 10 Developers – % of Total Book (3/31/2025)

Developer	Sum of Total Loan Amount	% of Total Book
1	$1,473,000.00	5.83%
2	$1,395,581.05	5.52%
3	$1,151,909.56	4.56%
4	$909,889.62	3.60%
5	$873,000.00	3.45%
6	$864,000.00	3.42%
7	$854,000.00	3.38%
8	$821,000.00	3.25%
9	$681,138.24	2.69%
10	$678,000.00	2.68%

HORIZON RESIDENTIAL INCOME FUND I, LLC

Loan Performance & Delinquencies

Delinquency management is a core focus at Upright, beginning with rigorous underwriting practices and supported by our Servicing and Asset Management teams, who employ industry-leading strategies for effective recovery. These strategies include relationship-based borrower management, timely issuance of Notices of Default, and loss mitigation evaluations after 61 days of delinquency. Given the short-term nature of our asset class, understanding delinquency rates is crucial, as performing loans typically repay within 10 months on average, while delinquent loans may require longer resolution periods.

From the end of 24Q4 through the end of January 2025, the Fund saw its total delinquency percentage remain relatively stable at ~39%. As we progressed through the final 60 days of 25Q1, the Fund's DQ rate saw a slight decrease of 2% in February, but returned back to a total DQ rate of ~39% by the end of March. Similar to previous quarters, the Fund's relatively high DQ rate is not solely indicative of deteriorating loan performance. The Fund's increase in total delinquency rate is a result of the repayment of performing loans and the reduction of the Fund's outstanding principal balance, which our delinquency rates are calculated on. This increase in the overall delinquency rate is generally expected when new assets are not added, but can also be slightly reduced as loans progressing through foreclosure are resolved. In 25Q1, the Fund's total loan portfolio has shrunk from 100 loans outstanding to a current portfolio size of 78. While the total count of delinquent loans was reduced slightly in 25Q1 (34 loans down to 32), the continued repayment of performing loans will hold the Fund's DQ rate near its current level until the Fund is able to increase its total portfolio size with the addition of new loan purchases or resolve its delinquent loans.

Throughout 25Q1, our Servicing team has worked proactively to address delinquencies. In January, the team managed 34 loans in the 31+ day delinquency buckets, with Notices of Default issued promptly for any loan that exceeded 60 days delinquent for the first time. Through the team's continued efforts, the number of delinquent loans decreased in February, with the Fund holding 31 loans in the 31+ day delinquency buckets to end the month. However, the total delinquencies increased slightly to 32 loans at the end of March.

Looking more specifically at the loans in our 91+ day delinquency bucket, the Fund ended January with 30 total loans that were 91+, with 13 of these loans in our foreclosure process. Over the final 60 days of 25Q1, our team was able to begin the foreclosure process on 13 additional loans, which brought the total loans in foreclosure to 26. The Fund also still holds one property in REO, which is actively listed, but a final sale has not been reached. Foreclosure auctions were also just completed for four properties in North Carolina. One property received a bid and we are expecting a full recovery to take place by the end of 25Q2. The remaining three did not receive a bid and are currently progressing through a deed transfer to move into REO. We are also anticipating that a few additional loans could complete the foreclosure process and move to REO in June. Our Asset Management team will continue to explore foreclosure and workout options for all remaining 91+ delinquencies, ensuring that we pursue the best possible outcomes.

Below is a chart displaying the Fund's delinquency rates month over month from January 2025 through March 2025, presenting both the total count and the percentage of the active book based on the Unpaid Principal Balance of delinquent loans. This detailed transparency reflects our commitment to rigorous reporting standards and aligns with the MBA's approach, while also providing an expanded view of our delinquency performance.

	12/31/2024		1/31/2025		2/28/2025		3/31/2025	
Delinquency Bucket	Loan Count	% of Total Book	Loan Count	% of Total Book	Loan Count	% of Total Book	Loan Count	% of Total Book
Current	64	61.29%	55	61.46%	50	63.39%	46	60.55%
31-60	2	3.83%	4	4.85%	0	0.00%	3	2.98%
61-90	2	3.68%	0	0.00%	2	2.76%	0	0.00%
91+	21	21.73%	16	20.65%	9	12.47%	2	2.89%
Foreclosure	10	6.64%	13	9.98%	19	18.17%	26	30.22%
REO	1	2.84%	1	3.06%	1	3.21%	1	3.36%

SUCCESS STORIES

2305 Knowles Rd

Wilmington, DE 19810

- Updated hardwood flooring
- New Interior and exterior paint
- New Kitchen Appliances, Counters & Cabinetry
- Bathroom remodel

Project origination: 9/30/2024
Project repaid: 1/27/2025

Located in Wilmington, Delaware, the property under review was a deteriorating single-family home with three beds and two baths. The property was purchased by the borrower at the end of September 2024 through the origination of our $329,000 loan.

At closing, we funded $293,250 of the purchase, with the remainder held back for rehabilitation progress and interest reserves. The borrower paid a 10.75% interest rate to Horizon investors, with $26,702.50 allocated for rehab and interest reserves to cover monthly payments.

Our internal assessment projected the home's value post-rehabilitation at $470,000, verified through an independent appraisal. The borrower demonstrated a strong credit profile with a FICO score of 730, a clean background, and substantial verified liquid assets. Their experience in the market was a key consideration, with five like-kind rehab projects completed in the same geographical area, all within the past three years.

The borrower executed the project efficiently, taking two construction draws between October and December, which covered appliances, new flooring throughout, bathroom and kitchen remodels, full electrical and plumbing upgrades, and interior and exterior painting. With the rehab completed, the home was listed and sold for $475,000. This project was a financial success, netting our investors roughly $11,300 in interest in four months. The loan was fully repaid on January 27, 2025, well ahead of schedule, demonstrating both the efficiency of the borrower and the robustness of our investment strategy.

HORIZON RESIDENTIAL INCOME FUND I, LLC

Key Highlights & Achievements

Below are major highlights that took place during the first quarter of 2025:

- The Fund successfully raised an additional $216K of new equity from investors.
- Horizon paid down $4.8M in leverage debt and the senior facility has been repaid in full.
- Horizon disbursed 44 construction draws to developers for home improvements, increasing the outstanding principal by $1.23M, and marching the wider portfolio closer to completion and exit.
- Horizon had 27 loans repaid in 25Q1, amounting to $6.5M in principal repayments. Horizon has now had 271 loans repaid in full, of 349 total loans purchased & serviced.

HORIZON RESIDENTIAL INCOME FUND I, LLC

Horizon Outlook

As we move to 25Q2, the Horizon team is excited to begin increasing its strategic investment in short-term residential RTL mortgages, steadfast in its commitment to align with rigorous risk mitigation benchmarks. The fund's geographic focus remains on the Ohio Valley and the Carolinas, with additional focus on certain Northeast and Mid-Atlantic markets. As the senior facility is now fully repaid, 25Q2 will be the first full quarter since 24Q2 where all liquidity streams will be fully available. With this anticipated increase in available liquidity, the Fund will be in a great position to seize new buying opportunities. New loan purchases and an increased portfolio size should not only help generate new interest income, but it will also help reduce the Fund's total delinquency rate. Additionally, our team is in discussions with local contractors for three loans in North Carolina that are currently waiting on a deed transfer to move the properties into REO. Each property is ~85% complete and we are working to finalize a plan to finish construction on the homes and then list for sale. We are expecting this process to take between 3-6 months, and once complete, this will present the Fund with the opportunity to successfully exit the loans at or near a full recovery.

Looking ahead, the Horizon Fund remains focused on mitigating risks and seizing new profitable growth opportunities. As we navigate the complexities of the current financial landscape, our commitment to rigorous risk management and generating returns remains unwavering. The Horizon team remains extremely optimistic as we progress into 25Q2, and we are excited to build upon the existing loan portfolio, which will soon provide our investors with additional opportunities to grow their wealth through the Horizon Fund.

Horizon Residential Income Fund I, LLC

Thank you for your continued trust and support in Horizon Residential Income Fund I, LLC. We welcome all questions and suggestions and look forward to a successful and rewarding journey together.

Sincerely,

Matthew Rodak
Chief Executive Officer

Contact Information:

For any inquiries, additional information, or referrals, please contact our Investor Relations Department:

invest@upright.us

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